



SEATTLE EMPLOYEES' RETIREMENT SYSTEM NEWSLETTER

FOR ACTIVE AND RETIRED MEMBERS Fall 2001

Message from the Director

by Norm Ruggles

These are busy days at the Retirement Office. As you may know, I'm still relatively new here. In fact, I'm on my way toward converting from a Colorado Rockies fan to a Mariners fan! Of course, it's pretty easy to be a fan of a classy team like the Mariners.

I'd like to make just a few observations and then give you an idea of some of the recent activities at the Retirement Office.

First, I want to tip my new Mariners cap to our Retirement Board and Retirement Office staff. The Retirement Board, I've observed, is consistently diligent and conscientious in making decisions and taking actions concerning the Retirement System and our membership. Like the Board, the staff of the Retirement Office is also hard working, energetic and focused on doing an excellent job. I'm very pleased by the teamwork shown among the Board as well as among the staff. They've all made my job easier.

I also want to compliment the representatives of ARSCE. These retired City employees are attentive to all of the issues affecting retirees. I admire their dedication and appreciate the support they've given to me since I arrived.

To better assist our members, the Retirement Office is placing a strong emphasis on customer service. Our membership includes approximately 9,600 active employees and 4,700 retirees. We've recently gotten a toll free number that can be used by our out-of-area members. It is 1-877-865-0079. We're also improving services by hiring, for the first time, a receptionist to better assist callers and walk-in customers.

We're improving and expanding the written materials given to our membership. Also, the availability of the Pre-Retirement Seminar is being increased to make it more accessible to more members.

We've recently updated sections of the Municipal Code pertaining to retirement benefits and have removed old, obsolete provisions. The revisions clean up these sections, bring them current and make them more understandable.

In an effort to improve benefits, the Retirement Board has been putting a great deal of thought and time into possible improvements to the retirement plan. Several months ago the Board recommended that the current cost of living adjustments provided in the Municipal Code be increased, and that the opportunities for active employees to "buy back" lost service credit be expanded. Those possibilities are a part of labor contract negotiations between the Unions and the City.

In addition, investing and safeguarding the Retirement System's nearly \$1.5 billion in assets is always a big project and responsibility. In recent months the Board, the Investment Committee and staff have obtained timely advice from expert consultants, and have approved important changes in the retirement fund's investments and in the list of firms who actually invest the fund's assets.

I'm enthused about all of these projects and hope you'll find them beneficial. If I haven't already, I look forward to meeting you!

Domestic Partners

Upon retirement, the benefit or “option” selected by an unmarried member may include a domestic partner. However, in order to do this, the following steps must be taken.

If you have a domestic partner and wish to include your partner in your retirement benefits, you must file a copy of your domestic partnership affidavit with the Executive Director of the Retirement Office. This is the same affidavit that is filed with the City Clerk to declare your domestic partnership. Your affidavit must be on file with the Retirement System in order for the benefits to apply to your domestic partner.

If you are already retired and currently have medical or dental coverage, you may add your domestic partner to your medical or dental coverage. As long as you did not take a straight retirement or options D or E, you may also add your domestic partner as your beneficiary for the option you chose at the time of retirement. However, you cannot change your retirement option. You must complete the domestic partnership affidavit and submit it to the Executive Director of the Retirement Office. You will need to do this immediately upon the formation of the domestic partner relationship.

If a member who has filed an affidavit of domestic partnership is married, or later becomes married, the affidavit is void. When a member who has filed an affidavit becomes married, the member must promptly file with the Executive Director a termination of the affidavit of domestic partnership.

Proven Investment Principles

Among its other responsibilities, the Retirement System has the important task of overseeing the investment of funds, which are eventually used to pay retirement benefits. Those funds currently approach \$1.5 billion.

In difficult economic circumstances, it helps to keep in mind that the Retirement System follows sound, time-tested investment principles. Those principles have proven to protect and increase assets through long-term investing. Even in rough times, these strategies help to make sure our assets are invested successfully. Here is a summary of the investment principles we follow:

- Retirement assets are invested carefully and prudently. We seek a reasonable rate of return over a long period of time, anticipating both good and bad financial markets.
 - The clear historical trend is that, over the long term, good investments significantly increase in value. The Retirement System invests retirement funds for the long term.
 - The Retirement System selects and uses investment firms who are among the best in the nation to manage our investments. Fortunately, none of our investment firms were located in the World Trade Center in New York.
 - The Retirement System diversifies its investments and takes other measures to reduce investment risk. We invest in various asset classes, and "never put all our eggs in one basket". Rarely, if ever, do all the financial markets perform poorly at the same time.
 - We use approximately 20 investment firms who specialize in U.S. and international stocks; bonds and fixed income; real estate; venture capital or other alternative investments. We adhere to a policy of asset allocation, which designates asset classes and the percentage of funds invested in each asset class.
 - The financial markets are cyclical: they go up in value and they go down in value. Down markets are difficult, but they are expected. Down markets are almost always shorter than up markets. Over time, the markets trend upward.
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Retirement System Membership

Regular employees are required to join the Retirement System upon hire.

Work Study, TES, Interns, Apprentices and other City employees in training positions are eligible for membership in the Retirement System according to the rules for temporary employees as defined under the Scannell Settlement. However, this eligibility does not extend to those who are in training positions to become police officers or firefighters.

Temporary employees are eligible to join the Retirement System immediately upon hire (effective 1/1/99) or they may join after working 1040 hours or again after working 10440 hours, as long as there is no break in service. After reaching one of these thresholds to elect membership, there is a six-month period of time during which the employee can elect to buy the temporary hours worked and receive retirement service credit.

Exempt employees are permitted to join the Retirement System at any time, but may not elect to purchase their prior service.

Frequently Asked Questions

Do overtime hours count toward retirement?

No. Only standard hours are used when computing retirement, 80 hours per pay period being the maximum number allowable.

I just moved. Can I give you my new address over the phone?

Any information that affects your retirement benefit, including address changes, must be provided to this office in writing. Please include your Social Security number and signature in all correspondence.

Active employees need to contact their payroll department to change their address, name, marital status, etc. The Retirement System does not make changes to active employee records.

Who decides which medical plans and benefits are offered to retirees?

The plans, benefits and options offered to retirees by the City are the result of discussions and negotiations between the City, unions and medical providers. The Retirement Office is not a party to those discussions and negotiations. Therefore, the Retirement Office may not have available the information to answer your specific questions and may refer you to the medical provider for answers.

I want to apply for retirement. What do I do?

Your first step before retiring is to call the Retirement Office at (206) 386-1292 and request an Estimate of Benefits. This will provide you with a good idea of what you can expect to receive under each of the retirement options available to you. You should study the retirement options and decide which one you wish to select. Then, when you are within 3 or 4 months of retiring, call this office so that we can schedule an interview date for you to sign up for retirement. At the interview, your benefits are discussed, questions are answered and necessary forms are completed.

You may email this office. We are listed in GroupWise under "Retirement".

You might also consider contacting Social Security and requesting an estimate from them as well. Their general information number is 800-772-1213. They are also available on the Web at www.SSA.Gov.
